

Riksbank initiates corporate bond purchases via auctions and increases transparency

The Riksbank's purchases of corporate bonds have so far been made through a bilateral purchase procedure. On 2 December, the Riksbank will also begin purchasing corporate bonds via auctions. This means that the Riksbank's continued purchases will be made both through bilateral purchases and through auctions.

The auctions will normally be held on Wednesdays every second week. The Riksbank will state which corporate bond or bonds it wishes to buy three days prior to each auction, and it is the Riksbank's monetary policy counterparties that can participate and bid. Special terms and conditions for the first auction will be published on Friday, 27 November, at 16.20 CET.

Further information on the Riksbank's corporate bond purchases via auctions can be found in the general terms and conditions on [the Riksbank's website](#).

Increased transparency over the Riksbank's corporate bond purchases

Since the purchases of corporate bonds began in September, the Riksbank has published information on the total volume purchased each week. The Riksbank has also previously informed that it will report its total holdings of corporate bonds and information on the breakdown of the holdings into sectors and average remaining time to maturity once a quarter, starting in January 2021.

Last week, the Riksbank published for the first time a list of the companies with outstanding bonds that meet the criteria to be eligible for the Riksbank's purchases. The list will be updated monthly.

Now the Riksbank is taking a further step towards greater transparency regarding the purchases of corporate bonds by regularly reporting the following on riksbank.se:

- Directly after a completed auction, the Riksbank will publish information on, for instance, total bid volume, number of bids, allocated volume and price per bond.

- Once a month, with a one-month time lag, information will be published on the volume and price per transaction for all corporate bonds the Riksbank has purchased, that is, both through the bilateral purchase procedures and by auctions. This information will begin to be published on 1 February 2021.

Background

On 30 June 2020, the Executive Board decided that, within its programme for bond purchases, the Riksbank would offer to purchase corporate bonds to a nominal amount of SEK 10 billion between 1 September 2020 and 30 June 2021. The situation on the financial markets has gradually improved since the spring but is still assessed as fragile. If the turbulence were to recur, there is a risk that the credit supply in the Swedish economy would deteriorate rapidly, which could lead to prolonged negative consequences for output and employment, resulting in falling inflation. The purchases of corporate bonds are part of the Riksbank's bond purchase programme, which was introduced in March 2020. They comprise a complement to the Riksbank's purchases of commercial paper that have been in progress since April 2020.

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Updated 17/11/2020

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